

**Congress of the United States**  
**Washington, DC 20515**

September 29, 2009

The Honorable Nancy Pelosi  
Speaker of the House  
H-232, The Capitol  
Washington, DC 20515

The Honorable Steny Hoyer  
House Democratic Majority Leader  
H-107, The Capitol  
Washington, DC 20515

The Honorable James E. Clyburn  
House Majority Whip  
H-329, The Capitol  
Washington, DC 20515

The Honorable John B. Larson  
Chairman  
House Democratic Caucus  
202A Cannon House Office Building  
Washington, DC 20515

The Honorable Henry A. Waxman  
Chairman  
House Committee on Energy and Commerce  
2125 Rayburn House Office Building  
Washington, DC 20515

The Honorable Charles B. Rangel  
Chairman  
House Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, DC 20515

The Honorable George Miller  
Chairman  
House Committee on Education and Labor  
2181 Rayburn House Office Building  
Washington, DC 20515

The Honorable Xavier Becerra  
Vice Chairman  
House Democratic Caucus  
1119 Longworth House Office Building  
Washington, DC 20515

Dear Speaker Pelosi, Majority Leader Hoyer, Majority Whip Clyburn, and Chairmen Larson, Waxman, Rangel, Miller and Becerra:

We want to begin by expressing our appreciation for all the hard work you have done to bring much-needed reform to our nation's health care system. Because we hold all of you in such high regard, please know that it pains us to conclude that H.R. 3200, as approved by the three committees of jurisdiction, does not treat Americans living in the five U.S. territories fairly. In recognition of this fact, the Committee on Education and Labor—in a bipartisan voice vote during its markup—approved a "Sense of Congress" stating that the bill as introduced, which



provided \$10.35 billion in additional Medicaid funding for the territories, needed to be strengthened before final passage in order to ensure that our constituents have access to quality and affordable health care. When meeting with us, our colleagues have often acknowledged the bill's shortcomings and expressed support for our efforts to improve it.

Nonetheless, expressions of support have not resulted in meaningful action at this point in the process. A major problem with the base bill is that it would not establish exchanges in our territories to help our low and middle-income working families afford insurance. After Friday's leadership meeting, our offices were informed that the inclination was not to increase the \$10.35 billion designated for the territories to help alleviate the severe disparities each of us faces under Medicaid. Eligibility for the exchange—and federal subsidies to defray the cost of insurance purchased therein—could be provided to our constituents, we were told, but only if we agreed to have the cost of our inclusion funded out of the \$10.35 billion in new Medicaid money. In other words, total funding for the territories would not be increased by a single dollar.

We are terribly disappointed. It appears that concerns over cost have trumped all other considerations, including elemental fairness and public health, when it comes to our constituents. In its current form, the bill does not do nearly enough to reduce existing disparities between health care funding in the territories and the states under Medicaid and Medicare. Moreover, by effectively excluding us from the Exchange—or only allowing us limited participation at the direct expense of our Medicaid funding—this bill would further widen the inequality gap. The disjunction between the bill's laudable goal of making quality health care affordable for all Americans and the bill's actual treatment of Americans living in the territories is jarring. And it should be unacceptable.

Therefore, notwithstanding our strong and steadfast support for health care reform as called for by President Obama and the Democratic leadership in the House, it will be extremely difficult for us to support the bill in its current form. We also believe that many of our colleagues will have strong reservations about voting for this bill, especially the members of the Congressional Hispanic Caucus, the Congressional Black Caucus, and the Congressional Asian Pacific American Caucus, who are already on record in support of fairer treatment for the territories than the current bill provides.

We believe, however, that there is a way forward: a fair compromise that will do justice to Americans living in the territories at a very reasonable cost.

Our proposal is as follows:

- The \$10.35 billion in the bill would be increased, by \$4.65 billion, to \$15 billion.
- \$4.185 billion of this amount (90%) would be used to fund Puerto Rico's limited inclusion in the Exchange. This amount would be supplemented by \$1 billion taken from Puerto Rico's \$9.124 billion (of the \$10.35 billion total) Medicaid allotment. This money

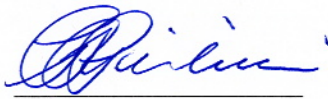


would be used to provide affordability credits to individuals and families earning up to 133% of the Federal Poverty Line.

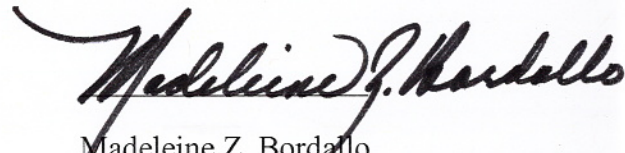
- The remaining \$465 million would be available to the four smaller territories so as to allow these territories to participate in the Exchange under terms negotiated with the Secretary of Health and Human Services and the Health Choices Commissioner. Any funds not so used for Exchange participation by a territory could be used by that territory as additional Medicaid funding. In addition, given the Eshoo/Engel amendment approved by the Energy and Commerce Committee, we ask that the federal contribution for Medicaid coverage provided to citizens of the Freely Associated States not count towards the territories' annual caps and that the increased FMAP already provided to the territories in the Energy and Commerce mark also apply in this case.

We hope you will consider this proposal and work to ensure its inclusion in the version of the bill that will be brought to the House floor. We thank you for your continued leadership on this critical issue.

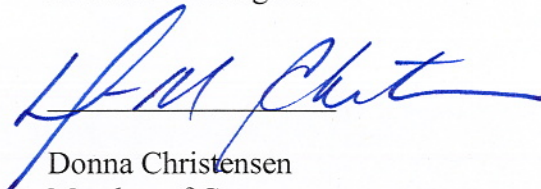
Sincerely,



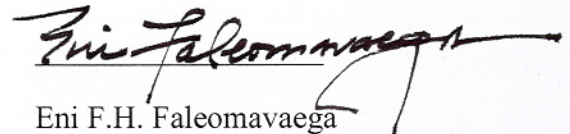
Pedro R. Pierluisi  
Member of Congress



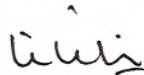
Madeleine Z. Bordallo  
Member of Congress



Donna Christensen  
Member of Congress



Eni F.H. Faleomavaega  
Member of Congress



Gregorio Kilili Camacho Sablan  
Member of Congress

cc: The Honorable Barbara Lee, Chairwoman, Congressional Black Caucus  
The Honorable Mike Honda, Chairman, Congressional Asian Pacific American Caucus  
The Honorable Nydia Velázquez, Chairwoman, Congressional Hispanic Caucus